



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

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September 27, 2012

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

LOS ANGELES NETWORK FOR ENHANCED SERVICES - QUARTERLY UPDATE

On May 31, 2011, the Board authorized the Chief Executive Officer (CEO), as Chair of the Los Angeles Network for Enhanced Services (LANES) Board, to execute and implement the terms of the Cal eConnect (CeC) Health Information Exchange (HIE) Expansion Grant Agreement on behalf of LANES, and accept grant funds in the amount of \$996,070 for the Health Data Highway Project (HDHP), effective upon Board approval for the term of June 2011 through November 2012, with approval by County Counsel and prior notification to the Board; and authorized the CEO to execute future amendments for modifications needed to comply with changes in State or federal laws or regulations, changes to line items in the budget and/or the timeline/deliverables as required for project implementation, and no-cost extensions if needed for project completion, in consultation with County Counsel and prior notification to the Board. In addition, the Board instructed the CEO to provide quarterly updates.

This is to provide our fifth quarterly report.

BACKGROUND

In our last quarterly report we indicated we were moving forward with a more direct management of the HDHP. We had begun the work of establishing the necessary contracts with the contract staffing and technology vendors. We also indicated we were working with CeC to execute a no-cost extension to the grant agreement, as well as an

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extension to the agreement between DHS and Public Health Foundation Enterprises, Inc. (PHFE) for the Community Clinic Phase II project. Lastly, we indicated we were applying for an additional Infrastructure grant from CeC.

CURRENT STATUS AND NEXT STEPS

The LANES Project Manager (PM), Irene Smith, continues to work with the LANES Board and technology vendors to setup the necessary agreements to move the LANES HDHP forward. Since our last report, we have completed agreements for integration staffing resources, including agreements with Health Data Engineering (HDE) and StrataVation. HDE will develop, program, and implement the various information system interfaces that are required to connect the LANES participant's health information systems to the LANES HIE. StrataVation provides two consultants, Jim Marsden and Linda Egan. Both Mr. Marsden and Ms. Egan provide technical resources to the project and will also oversee much of the technical work performed by HDE.

The LANES PM is in the final steps of completing an agreement for the LANES HDHP Enterprise Master Patient Index with IBM. The LANES PM is also continuing to work with the leading vendor on a data hosting agreement. These two outstanding agreements are the final pieces needed in order to ensure work on the project can begin to move forward.

As of our last Quarterly Report, the funding provided by L.A. Care for the LANES Interim Executive Director (ED) has been fully spent, and the contract with Debbie Rieger is now expired. While the LANES Board is evaluating options to fund the full-time ED position, the responsibilities of that position are being handled with additional in-kind resources from various LANES Board members. The LANES Board expects that this position will be funded on an ongoing basis once the sustainability model, which is currently under development, is finalized and implemented.

LANES TECHNICAL ADVISORY COMMITTEE/CLINICAL ADVISORY COMMITTEE

As the LANES Board has taken a more direct management role over the HDHP project, the LANES Technical Advisory Committee has also taken a more direct role in evaluating the technology to implement the LANES HIE. The Technical Advisory Committee is currently working with both Mirth and IBM to determine the functionality of the proposed HIE to see if it offers the full scope of envisioned functionality to users of the system. To support this effort, the LANES Board is also beginning to form its Clinical Advisory Committee, largely made up of clinical staff, which will evaluate the proposed functionality of the system to determine what other features, if any, will be

needed to ensure the system meets clinical expectations. Additional time and resources may be needed beyond the scope and timeline of the grant to implement any additional functionality that is identified, however, LANES plans to do any necessary work concurrently with the grant, if possible.

CAL eCONNECT ORGANIZATIONAL CHANGE

As previously reported, on May 16, 2012, the California Health and Human Services Agency (CHHS) announced that the Institute for Population Health Improvement (IPHI) at the University of California, Davis had been selected to implement the programs under the State's Cooperative Grant Agreement with the federal Office of the National Coordinator for Health Information Technology (ONC), which includes the grant funding for the LANES HDHP. CHHS is working with CeC to transition the implementation of the programs to the IPHI. Following this transition, CHHS determined that it would contract directly with the grantees to award the balance of the grant funding.

On August 29, 2012, the County received the notice of termination of the agreement with CeC effective August 31, 2012, and simultaneous with the termination, CHHS was offering a replacement Cooperative Agreement to foster further expansion of HIE, to be effective September 1, 2012. Grantees were advised to continue the project work while the process was followed to approve and execute the replacement agreements.

The replacement Agreement was received from CHHS on September 5, 2012. The terms of the Agreement have been reviewed by County Counsel and approved as to form. The replacement agreement is for a one-year term from September 1, 2012 through August 31, 2013, which includes the no-cost extension as requested by LANES. The item is on the Board's October 2, 2012 agenda for approval and includes the revised deliverables and budget consistent with the revised timeline.

We continue to work closely with the CeC staff during the transition to the IPHI. We conducted monthly check-in calls on July 16th, August 21st, and September 19, 2012.

SUSTAINABILITY COMMITTEE

In our third quarterly update dated March 2, 2012, we indicated that LANES established a Sustainability Committee with representatives from the CEO, Chief Information Office (CIO), L.A. Care, Gateways Hospital, and Community Health Alliance of Pasadena. The committee continues to meet and is working to evaluate various sustainability options and develop a model for LANES. We will update this Board on the sustainability model once it has been more fully developed.

Based on the experience of other HIEs across the country, it is apparent that large volume users of the LANES HIE, such as DHS and L.A. Care, will likely need to bear a proportionately larger share of the on-going cost of supporting the HIE in the sustainability model as compared to the smaller community clinics and other future LANES participants. While the on-going costs specific to a fully implemented LANES HIE are still being developed, the customary costs of HIEs are largely driven by the software licensing costs and data hosting costs required to support the volume of lives that will be entered into the LANES HIE. Optimal participation by medical providers in the HIE is a key factor to developing a sustainable financing model, and provides one of the major challenges for review by the committee.

PRIVACY AND SECURITY POLICIES COMMITTEE

As indicated in our fourth quarterly report, the LANES Privacy and Security Policies Committee was evaluating privacy and security policies and reviewing current data use agreements in order to develop the standard LANES data use agreement which will need to be signed by participants of the LANES HIE. This agreement is key in ensuring the standard LANES data use agreement meets the State, federal, and County's legal requirements. In order to participate in the LANES HIE, DHS will need to obtain Board approval of the data use agreement and delegated authority to execute it. We will brief the Board offices on these policies and agreements once they are complete. We anticipate presenting the Agreement to the Board in fall 2012.

COMMUNITY CLINICS PHASE II PROJECT

In conjunction with the LANES HDHP project, PHFE has completed agreements with HDE and StrataVation to provide the Phase II project with the necessary integration resources necessary to complete the system interfaces. PHFE is in the process of completing an agreement with the Community Clinic Association of Los Angeles County (CCALAC) in order to perform the necessary outreach to identify the next set of community clinics to be connected to the LANES HIE.

As indicated in our fourth quarterly report, DHS will be working with PHFE, per the Board's delegated authority provided to DHS on May 17, 2011, to execute a no-cost extension to the Phase II agreement beyond the original end date of December 31, 2012, in order to accommodate the revised project timeline. The Phase II PM, Ms. Smith, is evaluating the necessary end date that will accommodate the revised LANES HDHP timeline in order to properly schedule the required interface build time with the shared integration resources.

ADDITIONAL GRANT FUNDING OPPORTUNITIES

CeC Infrastructure Grant – In our fourth quarterly report, we indicated that LANES had submitted a Letter of Intent (LOI) for a Cycle 1 Infrastructure grant in the amount of \$500,000 to CeC. The Infrastructure grant aims to fund HIE initiatives with high population impact and/or broad geographic scope that are ready to make investments in technology infrastructure enabling HIE across unaffiliated organizations and, wherever possible, distinct electronic health record vendor systems. Based on the LOI, CeC requested a full grant proposal from LANES.

L.A. Care, as the prime applicant on behalf of LANES, utilized a grant writer to prepare the proposal and submitted it on July 17, 2012. CeC was scheduled to post the notices of intent to award on August 24, 2012 and grants were planned to begin in September 2012. However, the process has been delayed by the transition from CeC to IPHI. We have not been notified of a revised date for their decision, which would also push out the proposed start date of the grants.

United Healthcare/Pacificare Grant – As you may recall, the original Encounter Summary Sheet project was funded by a grant from United Healthcare/Pacificare (UHC) Grant of \$1.3 million, which was applied for by PHFE on behalf of Health-e-LA. UHC recently announced a second round of grant funding that was only available to first round grant funding recipients, which qualified PHFE to apply for the second round of grant funding on behalf of LANES. LANES worked with a grant writer to prepare a grant proposal for \$1.3 million that proposes to connect an additional 18 community clinics to the LANES HIE and it was submitted on August 31, 2012. This would increase to 48 the total number of community clinics connected to the LANES HIE. UHC recently indicated that they are planning to notify grantees of awards in early December 2012.

CONCLUSION

As noted above, LANES is moving forward with a more direct management of the HDHP project in order to ensure that the project and its revised deliverables and budget are accomplished in a more timely manner by the end of the grant period in August 2013. LANES is working closely with CeC on the project status and will continue working with PHFE to establish the necessary contracts with the remaining technology vendors necessary to move the project forward to a successful conclusion.

Each Supervisor
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Lastly, as noticed above, LANES will continue to work on the sustainability model, security and privacy procedures, and actively pursue additional grant opportunities. As indicated above, the sustainability model will require the County to incur an annual expense to support the LANES HIE and we will report more information to the Board on this as soon as it is available.

We will report additional progress on these projects in our next quarterly report to your Board by November 30, 2012.

If you have any questions regarding this matter, please contact Sheila Shima at (213) 974-1160 or sshima@ceo.lacounty.gov or Kevin Lynch, DHS Chief Information Officer, at (213) 240-8128 or klynch@dhs.lacounty.gov.

WTF:SAS:MLM
MM:bjs

c: Executive Office, Board of Supervisors
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